

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0422P

**Sales Tax
Calendar Year 1998**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the penalty assessed due to an unintentional computer error.

Taxpayer operates a buy here, pay here used car lot. No repair or service is done and all vehicles are purchased at auction. Taxpayer qualifies and files as an Indiana Special Corporation.

At audit, it was determined that the taxpayer failed to report its entire gross income subject to sales tax.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer failed to report all of its income subject to sales tax.

Taxpayer requests a waiver of penalties because there was an unintentional computer error that was not discovered until the audit.

Taxpayer's audit revealed that the taxpayer failed to report sales subject to sales tax on twenty percent

(20%) of its sales in 1998. Sales tax is a trust tax that is due upon collection.

The taxpayer was negligent in failing to remit the sales tax collected and has not provided reasonable cause for failure to do so.

FINDING

Taxpayer's protest is denied.